

## Message Text

CONFIDENTIAL

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

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O 101910Z SEP 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC IMMEDIATE 094

C O N F I D E N T I A L CARACAS 9462

EXDIS

E.O. 11652: XGDS

TAGS: ENRG, VE

SUBJECT: OPEC OIL PRICE DECISION

REF: STATE 214126

1. I HANDED THE PRESIDENT'S LETTER OVER TO THE FOREIGN MINISTER THIS MORNING. HE SAID HE WAS LUNCHING WITH PRESIDENT PEREZ TODAY AND WOULD TAKE THE LETTER ALONG.

2. ESCOBAR SALOM EXPRESSED HIS PERSONAL AND GENERAL "PREOCCUPATION" OVER THE OIL PRICE ISSUE. I SAID WE SHARED THAT PREOCCUPATION AND THAT CARLOS ANDRES PEREZ WOULD SURELY FIND PRESIDENT FORD'S LETTER BOTH CONSTRUCTIVE AND IMPORTANT.

3. COMMENT: THE LETTER STRIKES ME AS EXCELLENT--JUST RIGHT IN TONE AND APPROACH. WHATEVER INITIAL REACTION WE GET FROM PEREZ--AND HE IS A NOTABLY STUBBORN MAN--I BELIEVE WE SHOULD CONTINUE TO PLAY THESE THEMES IN A LOW BUT SUSTAINED KEY. WE CAN HAVE AN EFFECT HERE OVER THE LONGER TERM, PARTICULARLY AS THE IMPLICATIONS FOR THIRD-WORLD SOLIDARITY OF CONTINUED HIGH OIL PRICES BECOME CLEARER. IN ANY EVENT, I THINK WE DO WELL TO REMIND THE GOV ON A REASONABLY REGULAR BASIS THAT THE PRICE ISSUE IS A CENTRAL CONCERN FOR US.

4. I AM NOT, HOWEVER, OPTIMISTIC ABOUT THE IMMEDIATE EFFECT OF THE PRESIDENT'S LETTER. THE VENEZUELAN'S WANT AN OPEC INCREASE IN OCTOBER. THEY ARE WORRIED ABOUT DECLINING PRODUCTION AFTER NATIONALIZATION AND THE VORACIOUS DEMANDS OF THEIR DEVELOPMENT

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PROGRAMS. ALTHOUGH THEY MIGHT SCALE DOWN THEIR HOPES (WHICH

MY BRITISH COLLEAGUE TELLS ME AT ONE POINT CONTEMPLATED A  
20 PERCENT HIKE), THEY ARE LIKELY TO PERSIST IN THE ADVOCACY OF  
AN INCREASE--AT LEAST AS LONG AS THE SHAH'S FLANK OFFERS FRIENDLY  
PROTECTION.  
SHLAUDEMAM

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, POLICIES, PRICES  
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**Copy:** SINGLE  
**Draft Date:** 10 SEP 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Previous Handling Restrictions:** EXDIS  
**Reference:** 75 STATE 214126  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 15 SEP 2003  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OPEC OIL PRICE DECISION  
**TAGS:** ENRG, VE, OPEC  
**To:** STATE  
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